



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0413	<b>Title:</b>	Timely deposit of funds by state contractors and agents
<b>Primary Sponsor:</b>	Moss, Lynda	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### Description of Fiscal Impact:

SB 413 clarifies requirements for the deposit of money received by state agencies and provides a process for a state agency to propose and receive approval for a special deposit schedule.

### FISCAL ANALYSIS

#### Assumptions:

1. The proposal is consistent with the recommendations of a recent Legislative audit of e-Government services.
2. The Department of Administration is in the process of complying with the audit recommendations and implementing the requirements imposed by the proposal.

**Effect on County or Other Local Revenues or Expenditures:**

1. This bill appears to define “agency” in a manner that would include county treasurers and it would have an impact on counties in that respect.
2. There will be undeterminable fiscal impact to counties on interest lost on state funds retained in their bank account. The state will gain the interest on these monies that the local governments will lose.

**Technical Notes:**

1. The use of “agents” of the state will potentially include local governments, private enterprise (Northwestern Energy in the Universal Credit Program) and other possible “agents” of the state. The use of this term casts the net too wide. The department originally included this term in its accounting policy and later removed it because of this concern.
2. The requirement to deposit this money in an interest bearing account (in all cases) will sometimes cost the state money. Currently the state negotiates this with the bank and may choose to have the bank provide banking services at no charge instead of accruing interest if the bank charges will exceed the interest earned on the account. This flexibility is not allowed in the law as it is written.
3. This bill appears to define “agency” in a manner that would include county treasurers and it would have an impact on counties in that respect.
4. There will be undeterminable fiscal impact to counties on interest lost on state funds retained in their bank account. The state will gain the interest on these monies that the local governments will lose.
5. The Legislative audit and this proposal require retrofitting many of the 100 e-Government services in use. Current work plans indicate this effort will not be completed until December 31, 2007. Delaying the effective date until the end of the calendar year will allow the Department of Administration to be in compliance with the proposal.

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*Sponsor’s Initials*

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*Date*

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*Budget Director’s Initials*

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